

Common myths about Offshore Banking



No 2

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Serbs protest at election robbery

Julian Borger in Belgrade

STUDENTS hurled eggs and abuse at public buildings on Monday as more than 100,000 demonstrators marched through Belgrade in an attempt to stop the government quashing an overwhelming opposition victory in last week's municipal elections.

The rally was the biggest protest so far against President Slobodan Milosevic, the Serbian leader who played a central role in the war which followed Yugoslavia's break-up five years ago.

Addressing the crowd gathered in central Belgrade, an opposition leader, Zoran Djindjic, said: "This is no longer an election rally or a protest rally. This is a democratic revolution that Serbia has been waiting 50 years for."

But the monolithic Milosevic regime appeared unmoved. The police shrugged. Street sweepers were deployed to remove the sticky yellow mess left by the student assault on the city council, the television building and the headquarters of the Socialist Party newspaper.

Ilija Djukic, the former Yugoslav foreign minister and adviser to the Zajedno (Together) coalition, compared the demonstrations to the protests in the first serious attempt to remove the communist regime in 1991. "Substantial changes, however fragile, have started for a second time," he said.

He had hoped to rally international support for the reform movement, but was disappointed with the meeting with ambassadors. "They said very little. They need Milosevic. He is guaranteeing the Dayton (Bosnian peace) agreement for them."

Disappointment with the West runs through the opposition ranks. The British embassy in Belgrade voiced concern when Socialist-dominated municipal courts annulled opposition wins in most of Serbia's major towns and cities in local elections on November 17. The US state department called the behaviour of

the regime "totally unacceptable".

"Where are the Western powers?" asked Srdja Popovic, who at 24 would have been the youngest elected member of the Belgrade city council if his 900-vote majority over his Socialist opponent had not been overturned. "A lot of people were looking to the West, but they are now disappointed."

He said the Socialists would not relax their grip on the big cities, because they would be the key to next year's national elections.

The election commission ordered a new round of voting this week, but Mr Popovic was adamant. "Why should I go to a new round of voting when I know that when I win again the result will be annulled?"

On the basis of provisional results last week, Zajedno claimed victory in 13 of the 18 largest cities in Serbia, including Belgrade. But the Socialists lodged protests, and the opposition's victories were either frozen, on the grounds of unspecified voting "irregularities", or reversed outright.

The unrest in Serbia has coincided with anti-government protests in neighbouring Croatia, triggered when the Zagreb authorities tried to close down Radio 101, the country's last independent station.

In both former Yugoslav republics, communist rule has been replaced by a hybrid of democracy and authoritarianism, characterised by strict state control over the media, weak opposition parties and government reluctance to accept opposition electoral gains.

Up to 100,000 demonstrators took to the streets of Zagreb on Thursday last week in a protest to save the popular Radio 101. "A quarter of the total Zagreb electorate took part in the protest. We really are talking about 'people power' here," one Zagreb-based diplomat said.

President Franjo Tudjman returned to Croatia last weekend after medical treatment in Washington. The 74-year-old president was being treated for stomach cancer.

Budget leak probe called

DOWNING Street this week ordered MI5 to spearhead an inquiry into an unprecedented leak of details of most of Tuesday's Budget to the Daily Mirror, write Ewen MacAskill and Larry Elliott.

The inquiry began after the Mirror editor, Piers Morgan, returned the leaked papers to the Government without publishing them, one of the most extraordinary journalistic decisions of recent years.

It amounted to the biggest Budget leak this century, much more extensive than the leak that cost the Labour Chancellor Hugh Dalton his job in 1947. Up to 100 pages of press releases, intended for distribution

immediately after the Chancellor, Kenneth Clarke, finished delivering Tuesday's Budget speech, were obtained by the newspaper on Monday.

After a day of intense argument among senior Mirror journalists, Mr Morgan opted to return them. He said publication would have been "fairly reckless". Downing Street later confirmed that the documents were genuine.

The inquiry will be co-ordinated by the Cabinet Secretary, Sir Robin Butler, and Special Branch. Sources indicated that MI5 would play a key role.

Tax bomb defused, page 8



Wreckage from the Ethiopian airliner lies in a lagoon off the Comoros

PHOTOGRAPH JUDA NEWBERRY

Survivors tell of hijack crash horror

Ruaridh Nicol at Galawa Beach, Comoro Islands

ALARGE lump had emerged on Hiwot Tadesse's temple, but from her eyes anger and shock burned out. "The plane bumped and then went to pieces," she said. "The next thing I knew is that I'm half way into the water. I cried for help."

Lying in the next bed, Yeshimebet Gepreremstriel, Ma Tadesse's fellow air hostess, lay back. "I was under water — I think Hiwot pulled me out, but I don't know."

The survivors of the Ethiopian Airlines ET961 crash in the Comoros were still dazed from their journey under three deranged hijackers. Survivors have since been airlifted out of the island. Only the dead remain.

It was a trip that had begun early last Saturday in Addis Ababa and ended when the plane ran out of fuel and dove into the Indian Ocean at 3.20pm local time.

The airliner had 175 people on board; 48 survived. The Kenyan TV cameraman, Mohammed Amin, who captured the first pictures of the Ethiopian famine in 1984, was among the dead.

Six of the 12 Ethiopian crew survived, including the pilot, Captain Lau Abate, aged 42, and the co-pilot, Yonas Mekuria, aged 35, who had been badly beaten.

The hijackers were intent on reaching Australia despite the pilot's desperate pleas that he had only enough fuel for a routine one-and-a-half hour flight to Nairobi.

About 20 minutes after the plane had lifted off the three men stood up.

An Ethiopian passenger, Biserat Alemu, recalled: "They said, 'We escaped from prison. We are against the government. We are hijacking the plane. We have an explosive. If anybody moves, we'll explode it.'"

The pilots were reportedly told by the hijackers that they numbered 11. After four hours, the pilot realised there was no choice but to put down. The plane was over the Comoros, north of Madagascar. He told the passengers one engine had stopped and they were about to crash-land.

As the plane began to descend the co-pilot, who had been pulled from the cockpit by the hijackers, intervened. "He pushed in, and together the pilot and the co-pilot made the crash-landing," said Ma Tadesse.

Caroline Fotherby, a manager at the hotel Le Galawa, said: "All you could hear was the sound of an aeroplane falling. And then there was a bang. The plane hit once, then hit again and nose-dived."

Survivors said a wing clipped the water. Then the body of the plane slammed into the sea, bouncing and turning over at least once before it broke apart.

"The first bump was really gentle. Then the second one was really hard," said one passenger, Frank Huddle, the United States consul-general in Bombay. "The third one was even harder, like a 70mph auto accident. The last one was like an earthquake."

Mr Huddle, aged 53, who survived with his spectacles intact, said he and his wife Shania, 47, clung to a passing windsurfer's board before being rescued by hotel staff. "I thought I was dead when we hit the water," he said. Ethiopian Airlines, which

marked its 50th anniversary earlier this year, has one of the best security records in the world.

Hijackings involving Ethiopian airliners have been characterised by a lack of clear political demands. As in the present case, the hijackers were desperate to leave Ethiopia.

"All the hijackers may be dead," Mary Ryan, the US assistant secretary for consular affairs, said on Monday. "What we are hearing is that the two people they arrested aren't hijackers — their story held up." The men are still being held in what the police call "protective custody". This would suggest that all three hijackers had died.

Obituary, page 22

Belarus leader claims big win 3

Russians admit Chechenia defeat 4

Muslim nations tackle Mammon 5

Fire closes Channel tunnel 9

Israel cripples Arafat's economy 23

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Paradox of the Cannabis Cafe

Charles Trueheart in Delfzijl

AT THE Paradox Cafe in this North Sea harbor town of 30,000, customers are handed a tip sheet of warnings about cannabis: Do not smoke and drive. Do not smoke and drink. Do not take it across the border. Avoid "space cake" — hashish baked in muffins.

On the other hand, the main menu item at the Cafe Paradox, other than coffee and natural fruit juices, is cannabis. The selection ranges from expensive Moroccan hashish to cheap Dutch marijuana, priced from \$7 to \$15 a gram.

"That's the paradox," explained Ernst Gunst, the cafe's manager. And not the only one.

Cafe Paradox, whose main product is technically illegal in the Netherlands, is a creature of Delfzijl's municipal government, aggressively championed by its mayor and heartily endorsed by police and magistrates.

Opened in September as a non-profit "foundation," the cafe is an experiment in cannabis regulation. The idea is to drive and keep criminal elements out of a business by taking it over, as state liquor stores were designed to do in the United States.

Delfzijl's step is perhaps the biggest yet taken in this already open-minded country toward waging peace on drugs instead of war.

The Netherlands for years has taken a progressive approach to what it calls "soft drugs." The law is known by a term that means "illegal but permitted" — that is, police put the lowest priority on enforcing the sale and use of small amounts of cannabis.

In light of this attitude, Delfzijl officials said they expect their cafe idea to spread across the Netherlands. Three other small towns have similar pilot programs underway.

The Dutch government is taking an open-minded attitude toward the experiments, waiting to see how they work and what local prosecutors report, an official of the Dutch Justice Ministry said.

Today in Holland at least 5 percent of the country's 15 million people are estimated to use a cannabis product regularly. But the use of hard drugs has plummeted, with the addiction rate half that in other European countries.

The tolerant policy toward soft drugs has spawned a ubiquitous fixture across the Netherlands: "coffee shops" and "teahouses" where the real attraction is something else. These establishments do big business in Amsterdam and other cities, including a lively tourist trade of Germans and Americans agog at the freedom to traffic and smoke while police officers stand on the corner looking the other way.

But what the authorities will tolerate in Amsterdam they apparently will not in Delfzijl, a quiet town just a half-hour's drive from the German border.

The bad image of the local coffee shops, the criminal transactions on the wholesale level inherent in running them and the suspicion that harder drugs were also being traded led Mayor Eduard Haaksman to launch a new program for prevention and regulation.

In a single sweep, the town shut down the cannabis trade at free-enterprise places such as De Corner and New Generation and opened the doors of Cafe Paradox.

"The war on drugs — we lost it a long time ago," said Paul Oldenburger, a local businessman and parent. He said he was cautiously open to the Cafe Paradox experiment if it meant the demise of the coffee shops. "These coffee shops, they don't just sell soft drugs. Hard drugs are available too, and it's an easy step from one to the other."

There is no sign outside the new establishment. It is an attractive if subdued space painted in yellow where a steel band plays from speakers and young people sit at tables puffing enormous reefers. Customers have to be 18 to enter.

"Use hashish and marijuana for pleasure and not to combat stress or

insecurity," they are advised on the Paradox flyer. The place closes at 10pm.

The mayor has taken flak from the people he put out of the pot business, and from some parents and other outraged citizens. But he appeared unfazed. "It's a shop where we can discourage youngsters from using drugs, and it's a place where we can control it by having it in one place," Haaksman said. "Also, the shop has to sell only very good quality soft drugs, so that you know what you're getting."

What is the message of an organization that warns about the dangers of drugs and sells them over the counter?

"The message is: Don't do drugs. But if you want to use drugs, do it in a healthy, conscious way," said Gunst. "One thing is for sure. If you forbid it, people still want to use it, like the U.S. during Prohibition."

Gunst is proud of the cafe's offerings, noting that no artificial pesticides or fertilizers were used in their cultivation or manufacture. He said a professor at a nearby university is checking for impurities and the content levels of THC, the psychoactive ingredient in cannabis.

"We think that's important," Gunst said, sitting at a cafe table as he rolled a large, hashish-laden cigarette. "That's why we sell no soft drinks. Coca-Cola is just water and sugar. It's not healthy."

Gunst is especially proud of the "documentary center" he is designing in the back of the cafe — a place

for drug presentations to police officers, doctors and school groups, for discussion of drugs by young people, and with an Internet hookup to access current information about drugs.

The Dutch government is aware that philosophical conundrums have to be addressed. "What are these places selling — legal stuff or not? We have to decide," Justice Ministry spokesman Wilfred Kortman said.

The Dutch government is under pressure from surrounding European Union members to police better the country's commerce in drugs. From Amsterdam's coffee shops and easy street trade, they seep easily over the blurring European borders, where customs procedures are no longer even a formality.

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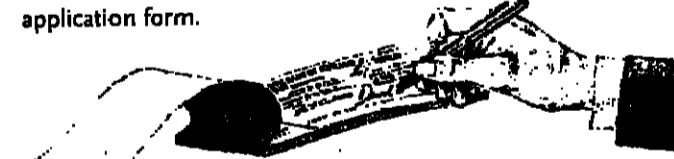
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